

Perodua targets quality output

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KUALA LUMPUR: Perusahaan Otomobil Kedua Sdn Bhd (Perodua) aims to achieve an operational rate and a passing rate of 95% and 90% respectively at its production plant by 2003 with the outsourcing of its logistics solutions.

Managing director Datuk Ab Rahman Omar said Perodua's operational rate, which has not gone beyond the 85% mark in the past seven years, has increased to 84% at present while the passing rate for Perodua cars has exceeded 60% from around 30% in July.

"I believe the improvement can be partly attributed to the adoption of the logistics support by Konsortium Logistik Bhd (KLB)," he said at the signing ceremony to formalise the third party logistics service contract between Perodua and

KLB yesterday.

Under the contract, KLB will facilitate the receiving and storing of automotive parts manufactured by local vendors throughout Malaysia and Singapore at the Central Staging Warehouse (CSW) for final delivery to Perodua's production line.

Ab Rahman said Perodua has benchmarked its internal management targets against those of Toyota Corp in Japan, which has a high operational and passing rate of 95% and 85%, respectively.

He said Perodua is starting to see the benefits from the move to outsource the logistics solution to KLB in terms of improved operational efficiency.

Logistics outsourcing can result in between 1%

and 2% in savings on production cost.

"More importantly, we can reduce damage to parts, minimise mishandling, reduce manpower mistakes and save the space in our own warehouse," he said.

Mirzan Mahathir, KLB executive chairman and president, said the fully equipped 90,000 sq ft CSW is fitted with advance warehouse management system that can accommodate about 1,000 line items.

He said the collection of parts, based on the multi-pick concept (milk run), was started a year ago with 24 Perodua vendors and this has increased to the current 62 vendors. Perodua has a total of 132 vendors.

Ab Rahman said Perodua will assess the standard of services provided

by KLB and will likely add another 12 vendors to its list by year-end.

In terms of the contract value, Mirzan said, KLB will get 50% out of the RM200 million in the annual value of the parts sold to Perodua.

Ab Rahman said Perodua's car sales reached 95,068 units as at end-October and are expected to hit 115,000 units by year-end.

Perodua has also rectified the production mismatch for Kelisa and will be producing 70% of automatic transmission and 30% of manual transmission cars to meet market demand beginning this month.

More than 8,000 units of Kelisa have been sold since its launch in August and sales are expected to continue to be strong next year.